

State of Arizona
House of Representatives
Fifty-third Legislature
First Regular Session
2017

House Engrossed
FILED
MICHELE REAGAN
SECRETARY OF STATE

CHAPTER 152
HOUSE BILL 2386

AN ACT

AMENDING SECTION 20-1110, ARIZONA REVISED STATUTES; RELATING TO INSURANCE
CONTRACTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-1110, Arizona Revised Statutes, is amended to
3 read:

4 20-1110. Approval of forms; definition

5 A. Any life or disability insurance policy form, life or disability
6 insurance application form where written application is required and is to
7 be made a part of the policy and printed rider or endorsement form shall
8 not be delivered or issued for delivery in this state by a life or
9 disability insurer unless it has been filed with and approved by the
10 director. The director may also require that proof of death or loss forms
11 shall be filed with and approved by the director.

12 B. This section shall not apply to policies, riders, endorsements
13 or forms of unique character designed and used for insurance on a
14 particular subject, or that relate to the manner of distribution of
15 benefits or to the reservation of rights and benefits under life or
16 disability insurance policies, and are used at the request of the
17 individual policyholder, contract holder or certificate holder.

18 C. Every FORM filing shall be made not less than thirty days in
19 advance of any delivery. The form is approved thirty days after filing
20 unless the director, within the thirty day period, has issued an order
21 affirmatively approving or disapproving the form. The director may extend
22 by not more than an additional fifteen days the period for review of the
23 form, by giving notice of the extension before expiration of the initial
24 thirty day period. The director may at any time, after notice and for
25 cause shown, withdraw the director's approval. This subsection also
26 applies to contracts and policy forms filed with the department under
27 section 20-826, subsection A by a corporation holding a certificate of
28 authority under chapter 4, article 3 of this title. This subsection does
29 not apply to contracts or policy forms issued by a hospital service
30 corporation, medical service corporation or hospital and medical service
31 corporation pursuant to section 20-1063.

32 D. Any order of the director disapproving the form or withdrawing a
33 previous approval shall state the reasons for the action.

34 E. A life or disability insurer shall not issue or deliver any
35 advertising matter or sales material to any person in this state until the
36 life or disability insurer files the advertising matter or sales material
37 with the director. This subsection does not require a life or disability
38 insurer to have the prior approval of the director to issue or deliver the
39 advertising matter or sales material. If the director finds that the
40 advertising matter or sales material, in whole or in part, is false,
41 deceptive or misleading, the director may issue an order disapproving the
42 advertising matter or sales material, directing the life or disability
43 insurer to cease and desist from issuing, circulating, displaying or using
44 the advertising matter or sales material within a period of time specified
45 by the director but not less than ten days and imposing any penalties

1 prescribed in this title. At least five days before issuing an order
 2 pursuant to this subsection, the director shall provide the life or
 3 disability insurer with a written notice of the basis of the order to
 4 provide the life or disability insurer with an opportunity to cure the
 5 alleged deficiency in the advertising matter or sales material within a
 6 single five day period for the particular advertising matter or sales
 7 material at issue. The life or disability insurer may appeal the
 8 director's order pursuant to title 41, chapter 6, article 10. Except as
 9 otherwise provided in this subsection, a life or disability insurer may
 10 obtain a stay of the effectiveness of the order as prescribed in section
 11 20-162. If the director certifies in the order and provides a detailed
 12 explanation of the reasons in support of the certification that continued
 13 use of the advertising matter or sales material poses a threat to the
 14 health, safety or welfare of the public, the order may be entered
 15 immediately without opportunity for cure and the effectiveness of the
 16 order is not stayed pending the hearing on the notice of appeal but the
 17 hearing shall be promptly instituted and determined.

18 F. The director, by order, may exempt from the requirements of this
 19 section for so long as the director deems proper any insurance document,
 20 ADVERTISEMENT or form as specified in the order, to which, in the
 21 director's opinion, this section may not practicably be applied, or the
 22 filing and approval of which are, in the director's opinion, not desirable
 23 or necessary for the protection of the public.

24 G. This section shall apply also to any form used by domestic
 25 insurers for delivery in a jurisdiction outside this state, if the
 26 insurance supervisory official of that jurisdiction informs the director
 27 that the form is not subject to approval or disapproval by that official,
 28 and on the director's order requiring the form to be submitted to the
 29 director for the purpose. The applicable same standards shall apply to
 30 these forms as apply to forms for domestic use.

31 H. FOR THE PURPOSES OF THIS SECTION AND SECTIONS 20-826, 20-1018
 32 AND 20-1057, ADVERTISING MATTER AND SALES MATERIAL DO NOT INCLUDE ANY OF
 33 THE FOLLOWING MATERIALS LISTED IN THIS SUBSECTION, WHICH ARE NOT REQUIRED
 34 TO BE FILED:

35 1. MATERIALS THAT ARE DESIGNED SOLELY TO INCREASE PUBLIC AWARENESS
 36 OF AN INSURER'S NAME, TRADEMARKS, SERVICE MARKS, SLOGAN OR BRAND AND THAT
 37 DO NOT REFERENCE SPECIFIC PRODUCTS OR BENEFITS OFFERED BY THE INSURER.

38 2. MATERIALS THAT ARE DESIGNED FOR AND DISTRIBUTED ONLY TO LARGE
 39 GROUP BENEFIT ADMINISTRATORS AND THEIR BROKERS AND THAT ARE NOT INTENDED
 40 FOR DISTRIBUTION TO GROUP MEMBERS.

41 3. WEB PAGES AND OTHER MATERIALS THAT ARE PUBLISHED EXCLUSIVELY TO
 42 GUIDE CURRENT MEMBERS ABOUT USE OF ALREADY PURCHASED PRODUCTS.

43 4. SOCIAL MEDIA SITES AND SOCIAL MEDIA CONTENT THAT DO NOT
 44 REFERENCE PRODUCTS OR BENEFITS OFFERED BY THE INSURER OR INCLUDE A CALL TO
 45 ACTION.

1 5. WEB BANNER ADVERTISEMENTS, PAID SOCIAL MEDIA POSTS AND ONLINE
2 SEARCH ENGINE ADVERTISEMENTS THAT EITHER DO NOT LINK TO ADVERTISING MATTER
3 AND SALES MATERIAL OR, IF LINKED TO SUCH CONTENT, LINK ONLY TO CONTENT
4 THAT IS FILED IN ACCORDANCE WITH THIS SECTION AND THAT MEETS ONE OF THE
5 FOLLOWING CRITERION:

6 (a) DO NOT REFERENCE SPECIFIC PRODUCTS OFFERED BY THE INSURER.

7 (b) ARE LESS THAN ONE HUNDRED CHARACTERS.

8 6. EDUCATIONAL MATERIALS THAT ARE DESIGNED TO INCREASE CONSUMERS'
9 HEALTH INSURANCE LITERACY AND THAT DO NOT INCLUDE A CALL TO ACTION OR
10 REFERENCE A SPECIFIC INSURER, OTHER THAN AS THE SOURCE OR AUTHOR OF THE
11 MATERIALS.

12 7. OTHER MATERIALS AND ADVERTISEMENTS SPECIFIED BY THE DEPARTMENT
13 IN RULE OR BY EXEMPTION ORDER.

14 I. FOR THE PURPOSES OF SUBSECTIONS H AND J OF THIS SECTION,
15 "INSURER" MEANS DISABILITY INSURER, GROUP DISABILITY INSURER, BLANKET
16 DISABILITY INSURER, FRATERNAL BENEFIT SOCIETY, PREPAID DENTAL PLAN
17 ORGANIZATION, HOSPITAL SERVICE CORPORATION, MEDICAL SERVICE CORPORATION,
18 DENTAL SERVICE CORPORATION, OPTOMETRIC SERVICE CORPORATION AND HEALTH CARE
19 SERVICE ORGANIZATION.

20 J. FOR THE PURPOSES OF THIS SECTION, "CALL TO ACTION" MEANS A
21 STATEMENT OR OTHER CONTENT THAT INVITES A CONSUMER TO RESPOND BY
22 CONTACTING THE INSURER BY PHONE, LETTER, E-MAIL OR OTHER ELECTRONIC
23 COMMUNICATION OR ATTENDING AN EVENT SO THAT THE INSURER CAN ATTEMPT TO
24 SELL THE INDIVIDUAL A PRODUCT OR SERVICE.

APPROVED BY THE GOVERNOR APRIL 14, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 14, 2017.

Passed the House February 21, 20 17

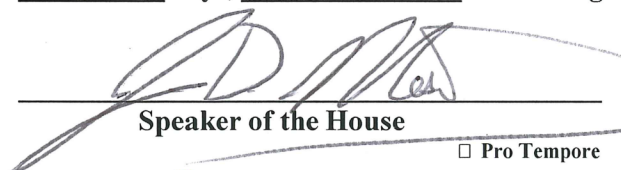
Passed the Senate April 11, 20 17

by the following vote: 51 Ayes,

by the following vote: 30 Ayes,

7 Nays, 2 Not Voting

0 Nays, 0 Not Voting


Speaker of the House

☐ Pro Tempore


Chief Clerk of the House


President of the Senate

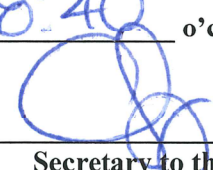

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

12th day of April, 20 17

at 8:40 o'clock A. M.


Secretary to the Governor

Approved this 14th day of

April, 20 17

at 4:10 o'clock P. M.


Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 14 day of April, 20 17

at 4:32 o'clock P. M.


Secretary of State

H.B. 2386